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Director and Chief Medical Officer

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Chief Operating Officer

COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES  
313 N. Figueroa, Los Angeles, CA 90012  
(213) 240-8101

May 12, 2005

TO: Each Supervisor

FROM: Thomas L. Garthwaite, M.D.  
Director and Chief Medical Officer

SUBJECT: **PATIENT ACCOUNT COMPROMISE REPORT -  
THIRD QUARTER FISCAL YEAR (FY) 2004 - 2005**

Attached is DHS' quarterly report of approved account compromises including the amount of liability reduced and the reasons for such reductions. For the third quarter covering January 1, 2005 through March 31, 2005, total liability reductions were \$2.6 million (32%) and corresponding approved compromise offers were \$5.6 million (68%). Cumulatively, year-to-date liability reductions for FY 2004-05 totaled \$10.5 million (33%) and corresponding approved compromise offers were \$21 million (67%).

If you have questions or desire additional information, please let me know.

TLG:lg (AStecker\FY04054CompromiseReportQ3\FY0405Q3.doc)  
02-06-06-002

Attachment

c: Chief Administrative Officer  
County Counsel  
Executive Officer, Board of Supervisors  
Auditor-Controller  
Treasurer Tax Collector

**COUNTY OF LOS ANGELES - DEPARTMENT OF HEALTH SERVICES**  
**APPROVED PATIENT ACCOUNT COMPROMISES**  
**FISCAL YEAR 2004 - 2005**  
**THIRD QUARTER**

FACILITY	NUMBER OF ACCOUNTS	APPROVED OFFER OF COMPROMISE	APPROVED TOTAL LIABILITY REDUCTION	REASON(S) FOR COMPROMISE
<b>NORTHEAST AREA</b>				
Hospital	250	\$ 2,652,993	\$ 1,266,449	Two-Hundred-two (202) accounts as the highest amounts that could be negotiated with the patients' insurance (Commercial or HMO) carrier, under the circumstances of the case, and receipt of such insurance proceeds prevent further collection from the patients, except for possible beneficiary coinsurance or deductible obligations.
				Thirty-six (36) accounts as third-party claims settled.
C/HC	0	\$ -	\$ -	Twelve (12) accounts as amounts exceeded patients' current financial resources to pay.
<b>TOTAL NORTHEAST AREA</b>	<b>250</b>	<b>\$ 2,652,993</b>	<b>\$ 1,266,449</b>	
<b>SOUTHWEST AREA</b>				
Hospital	72	\$ 785,162	\$ 339,640	Fifty-three (53) accounts as the highest amounts that could be negotiated with the patients' insurance (Commercial or HMO) carrier, under the circumstances of the case, and receipt of such insurance proceeds prevent further collection from the patients, except for possible beneficiary coinsurance or deductible obligations.
				Eighteen (18) accounts as third-party claims settled.
C/HC	0	\$ -	\$ -	One (1) account as patient hardship; other party, not responsible for debt, has agreed to pay.
<b>TOTAL SOUTHWEST AREA</b>	<b>72</b>	<b>\$ 785,162</b>	<b>\$ 339,640</b>	
<b>SAN FERNANDO VALLEY AREA</b>				
Hospital	50	\$ 177,337	\$ 73,647	Forty-seven (47) accounts as the highest amounts that could be negotiated with the patients' insurance (Commercial or HMO) carrier, under the circumstances of the case, and receipt of such insurance proceeds prevent further collection from the patients, except for possible beneficiary coinsurance or deductible obligations.
				Three (3) accounts as amounts exceeded patients' current financial resources to pay.
C/HC	0	\$ -	\$ -	
<b>TOTAL SAN FERNANDO VALLEY AREA</b>	<b>50</b>	<b>\$ 177,337</b>	<b>\$ 73,647</b>	
<b>COASTAL AREA</b>				
Hospital	189	\$ 1,924,734	\$ 924,584	One-Hundred-thirteen (113) accounts as amounts exceeded patients' current financial resources to pay.
				Sixty-three (63) accounts as the highest amounts that could be negotiated with the patients' insurance (Commercial or HMO) carrier, under the circumstances of the case, and receipt of such insurance proceeds prevent further collection from the patients, except for possible beneficiary coinsurance or deductible obligations.
				Thirteen (13) accounts as third-party claims settled.
C/HC	0	\$ -	\$ -	
<b>TOTAL COASTAL AREA</b>	<b>189</b>	<b>\$ 1,924,734</b>	<b>\$ 924,584</b>	
<b>ANTELOPE VALLEY AREA</b>				
Hospital	7	\$ 1,800	\$ 1,200	Seven (7) accounts as the highest amounts that could be negotiated with the patients' insurance (Commercial or HMO) carrier, under the circumstances of the case, and receipt of such insurance proceeds prevent further collection from the patients, except for possible beneficiary coinsurance or deductible obligations.
C/HC	0	\$ -	\$ -	
<b>TOTAL ANTELOPE VALLEY AREA</b>	<b>7</b>	<b>\$ 1,800</b>	<b>\$ 1,200</b>	
<b>RANCHO LOS AMIGOS</b>				
<b>TOTAL RANCHO LOS AMIGOS</b>	<b>4</b>	<b>\$ 48,847</b>	<b>\$ 12,543</b>	Three (3) accounts as amounts exceeded patients' current financial resources to pay.
				One (1) account as the highest amounts that could be negotiated with the patients' insurance (Commercial or HMO) carrier, under the circumstances of the case, and receipt of such insurance proceeds prevent further collection from the patients, except for possible beneficiary coinsurance or deductible obligations.
<b>L FY 04-05 - 2ND. QTR ALL FACILITIES</b>	<b>572</b>	<b>\$ 5,590,873</b>	<b>\$ 2,618,063</b>	
<b>COLLECTION RATIO FY 04-05 - 3RD. QTR ALL FACILITIES</b>			<b>68%</b>	
<b>COLLECTION RATIO FY 04-05 - YTD ALL FACILITIES</b>			<b>67%</b>	<b>COLLECTION RATIO FY 03-04 ALL FACILITIES</b>
				<b>67.2%</b>